

Trade Tracking and Records Management System

Inputs

Trade Notification Form

Submitted when: Parties have agreed to trade
Submitted by: Buyer or seller
Contains: Names of buyer and seller / permit numbers if applicable
Time period of trade
Amount of Parma pounds traded
Unique identifying number of reduction credits being transferred of reduction credits being transferred (or Reduction Credit Certificate form is attached)

Reduction Credit Certificate Form

Submitted when: After inspection or monitoring as specified by BMP in use.
Submitted by: Buyer/ Point Source
Contains: Name/Address of non-permitted source
Type and location of BMP
Parma pounds measured or calculated

Preloaded Data

Location Ratios - Current published ratios set; updated with any revisions.

Effluent Limits – Initial permitted effluent limits supplied by Point Sources (based on the limits associated with their initial Waste Load Allocations); updated when permits are reissued with new permit limit from any changes to TMDL's WLAs.

Representatives - Names of authorized representatives of point sources.

Identifying numbers already established - e.g., permit numbers for point sources, USDA numbers for non-point sources of any other GIS-based identifiers they use, and a cross-walk for easy look-up.

Trade Tracking System Functions

Record and confirm the receipt of the Trade Notification form. Enter the information on trading parties and assign a unique identifier to the trade which designates the project type and location, buyer and seller, number of credits, and duration.

- Record and confirm the receipt of the Reduction Credit Form. Establish a unique identifier for the number of credits generated so that its location, BMP type, number of credits generated for that period, and duration can be traced back to the form and so that no NPS-generated block of credits can come into existence without a form having been completed properly and submitted. The unique identifier will be matched to the identifier on the Trade Notification Form.
- Create a code for each trading party for linking with related transactions and filing purposes.
- Track the time period for which a reduction credit certificate is valid, as determined by the BMP's monitoring requirements, or monthly, as the time period established in the program design. Mark as "invalid for transfer" those credits for which the valid time period has already passed.

- Once the data from the Reduction Credit Certificate form is entered, the data system checks the accuracy of the location ratios and delivery ratios listed on the form and the form's calculations used in determining the number of credits. If a calculation provided on the form is found to be inaccurate, the data system issues an "invalid credit certificate" notice and associates that status with the unique identifier assigned to the Reduction Credit Certificate form.
- Link the valid or invalid status of a Reduction Credit Certificate to the Trade Notification form that involves that Reduction Credit Certificate, and issue an "invalid transfer" notice and associate that status with the unique transaction number assigned to that Trade Notification form. Also issue an "invalid transfer" notice when a Trade Notification form instructs to transfer a Reduction Credit that is not in the transferor's account at the time the Trade Notification form is processed.
- Record and issue confirmations of trades between parties per submitted Trade Notification Form and Reduction Credit Form that the data system determines to be valid (i.e., the credits are in the transferor's account and are of the quantity requested to be transferred).
- Transfer credits held by transferors in the order Trade Notification Forms are received
- Provide a control method that prevents the sale of a credit to more than one buyer at one time or the "use" of a credit by a point source more than one time. "Use" of a credits means that the quantity of credits transferred to a point source's accounts equals the quantity of credits created by a specified BMP at a specified location, as documented by the Reduction Credit Certificate(s) input in the data system, and the same credits are then claimed by the point source on its DMR report to EPA .
- Record transfer of credits generated by non-point sources when authorized by a Trade Notification form on file authorizing a transfer for that month or time period and triggered by the submission of the Reduction Credit form for that month (or whatever time period is approved for that BMP).
- Determine if location ratios and delivery ratios used in the Reduction Credit Certificate are valid for the time in which the Reduction Credit Certificate is submitted.
- Provide accurate records of all transactions and make available all supporting documentation.
- Provide "search capabilities" for customized reports – e.g. the types and location of BMPs used to generate credits.
- Run reconciliation report on a monthly basis to reconcile trades reported on Trade Notification Forms and Reduction Credit Forms.
- Demonstrate compliance at all times with good data system and accounting principles with appropriate internal controls and audit trails in place.
- Perform checks on effluent trading restrictions, if any (e.g. record as "invalid trade" any trades that exceed a PS's "cap." Location-based caps are placed on the amount of credits that can be acquired by a point source or drain at a given location to prevent localized impacts.)
- Provide accurate records of all transactions involving credits in the system, including creation, sale, resale, and use.
- Opens and maintains accounts in the data system for all permitted point sources, non-point sources that submit Reduction Credit Certificates, and for other parties serving as transferor or transferee of credits. The accounts will track the contact information provided on the forms.

Outputs

Reduction Credit Certificate and Trade Confirmations

Contents: Provides notice of receipt to parties and confirms information received and submitted in the system. Provides confirmation that a trade was "valid" and recorded.

Frequency: Sent immediately after Trade Notification Form and Reduction Credit Form are entered.

Recipient: Trading parties.

Monthly Trade Summary

Contents: Reports all trades on file for the month by parties. Provides a monthly confirmation to trading parties. Displays only trades that are valid and recorded, involving credits that can be used in that time period. To be used by permitted parties in DMR reporting to EPA.

Frequency: Monthly

Recipient: Trading parties.

Exception Report

Contents: Sent to the parties when the system shows an “invalid credit” from a submitted Reduction Credit Certificate that calculated the quantity of credits incorrectly, or for an “invalid trade” for a Trade Notification Form in which they were a transferor or transferee, in which the trade could not be processed because of the “invalid credit” status of the credits listed on the form or the failure of the credits listed on the form to be in the transferor’s account at the time the trade was processed. The notice will state the reason for the failure.

Frequency: Triggered by event.

Recipient: Trading parties.

Annual Summary Report

Contents: Sent to all parties to summarize trading activity for the year.

Frequency: Annual

Recipients: All parties with current accounts in the system.

Other Customized Reports

Contents: Provides information from the database that is not on a standard report. Information could be sorted by river mile, BMP or permitted vs non-permitted.

Frequency: Adhoc

Recipients: Available to trading parties, EPA, DEQ and general public for a processing fee.

Records Management System

Entities are required to retain records on site for a five year period after the completion of the contract. This time period matches the record retention period required in the NPDES permit.

Trading Parties

Copy of the Reduction Credit Form

Copy of the Trade Notification Form

Copies of Monitoring Data

Association

Original Reduction Credit Form

Original Trade Notification Form

Database Information / Reports

EPA

DMRs with attached Monthly Trade Summary

Annual Summary Report